



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



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MEMORANDUM

TO: State Board of Education
FROM: Mike Flanagan, Chairperson
SUBJECT: Legislative Update

BUDGET UPDATE

Apparently, a deal was reached on the FY 07 budget. This was done through a collection of budget cuts, some one-time fixes, etc. This deal prevents the School Aid proration and the Medicaid provider cut. For the Department of Education (MDE), the negative supplemental bill provides a total cut of \$90,400 GF/GP: \$65,000 from Central Support and \$25,400 from Early Childhood operations

A deal for the FY 08 budget must still be crafted. Initially, it appears that those negotiating the deal are leaning toward a temporary income tax increase to provide the revenues to fill the budget hole for next year (possibly through 2012). Negotiations are underway and it is unclear what they will yield. Contacts to the Legislature advocating for adequate revenues to fund Schools and the Department are very helpful at this time (as always).

SENATE ACTIVITY

HB 4796

House Bill 4796 as passed in the House, in short, creates a cap on wages for school employees (the sponsor is trying to target local superintendents) set at the total wages and benefits of the Governor of Michigan. A waiver of the cap is allowed under the provisions of the bill if the school board can demonstrate to the Superintendent of Public Instruction that the nationwide standard for an annual compensation for a similar type of employee in a similar school district exceeds this cap. This is to address the issue of competitive salaries to recruit employees nationally.

Like many of the bills passed as part of the FY 07 budget deal, this bill is tie barred to the bill that would increase the income tax (HB 4500). House Bill 4796 is awaiting action in the Senate Education Committee.

HB 4799

HB 4799 is a retirement bill that recently passed the House. A part of the bill deleted the State Superintendent's ability to create and use a critical shortage list to allow school retirees to be rehired in certain positions and not affect their pensions.

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The bill put in its place a system allowing the State Superintendent to grant waivers on a case-by-case basis. Apparently, this system was used in the past, but due to the large number of requests for waivers, eventually, the legislature allowed for one list to be released annually to save the state time and money. The House version would return to that case-by-case type of system. It has been pointed out to the House that returning to such a system would mean additional staff time and cost.

Like many of the bills passed as part of the FY 07 budget deal, this bill is tie barred to the bill that would increase the income tax (HB 4500). This bill was referred to Senate Education Committee.

HB 4591

The House teacher certification/teacher preparation program review fees bill is awaiting action in the Senate Education Committee. As reported last month, the original bill was amended to provide some assurance to several legislators and the MEA that the fee increases to pay for the new computer system would also provide for better service to the teachers using the system. Language was added laying out the benefits expected for those using the system (online renewal of professional teaching certificates; online credit card payment capability; a central registry that documents each teacher's professional development activities and completion of state board continuing education units; etc.).

HBs 4091 and 4162, and SB 107

As mentioned before, the anti-bullying bills passed the House and have been referred to the Senate Education Committee.

HOUSE ACTIVITY

SB 188

As the Career Technical Education program (CTE) is moving back to MDE per a recent Executive Order, MDE became the lead agency for a bill that relates to this. Senate Bill 188 would provide some flexibility for using vocational education millage revenue and for reporting requirements to the department on the use of such locally raised revenues for local programs. This bill has passed the Senate and was discharged from the House Education Committee. It is now awaiting action on the House Floor.

SB 194

Senate Bill 194 is awaiting action on the House floor after being reported from House Appropriations. This bill would amend the Revised School Code to permit the use of state school aid funds for the education of individuals committed to a high or medium security juvenile facility operated by the Department of Human Services (DHS). Use of state school aid funds to educate persons in DHS facilities is prohibited by language in Section 1311g (g) of the Revised School Code (MCL 380.1311g). In February 2006, the State Budget Office of the Department of Management and Budget identified the need for this legislative change in order to implement the proposed budget for 2007

House Education Committee

Representative Melton plans to continue work groups on several issues including the ones listed below; HOWEVER, he apparently does not wish to move any other bills that aren't directly linked to the budget and its negotiation until the budget is settled.

Compulsory Attendance Requirements for Kindergarten
Compulsory Attendance to Age 18
Public Employee Insurance Pooling and Public School Retirement Healthcare